

**BEFORE THE PUBLIC SERVICE COMMISSION**  
**OF THE STATE OF DELAWARE**

IN THE MATTER OF THE APPLICATION OF )  
SUEZ WATER DELAWARE, INC. CONCERNING )  
THE SEMI-ANNUAL ADJUSTMENT TO THE )  
DISTRIBUTION SYSTEM IMPROVEMENT CHARGE ) PSC DOCKET NO. 17-0370  
PURSUANT TO 26 DEL. C. § 314(b) (5) )  
(FILED MAY 25, 2017) )  
(AMENDED JUNE 12, 2017) )

**ORDER NO. 9312**

**AND NOW**, this 20<sup>th</sup> day of December 2018, the Delaware Public Service Commission ("Commission") determines and orders the following:

**WHEREAS**, under the provisions of 26 Del. C. § 314, a water utility may calculate and collect a "Distribution System Improvement Charge" ("DSIC Rate"), allowing it to begin recovering depreciation expenses and a return on capital invested in "eligible distribution system improvements" put into service between rate cases; and

**WHEREAS**, under the statutory scheme, a particular water utility's DSIC Rate, once initiated, may thereafter be adjusted on a semi-annual basis to reflect eligible improvements put into service within the preceding six months. See 26 Del. C. § 314(b) (3) and (b) (5);<sup>1</sup> and

**WHEREAS**, on May 25, 2017, SUEZ Water Delaware, Inc. ("SUEZ") filed an application in PSC Docket No. 17-0370 to set its DSIC Rate to 1.07% effective July 1, 2017; and

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<sup>1</sup>The Commission explained the DSIC Rate mechanism in detail in PSC Order No. 5850 (December 11, 2001).

**WHEREAS**, on June 20, 2017, the Commission adopted Order No. 9075, which opened Docket No. 17-0370 and approved SUEZ's application to set its DSIC Rate to 1.07% effective July 1, 2017, subject to Commission Staff's ("Staff") annual review, audit, and reconciliation; and

**WHEREAS**, in May 2018, Staff began conducting a review and audit of SUEZ's DSIC components and calculations contained in Docket No. 17-0370; and

**WHEREAS**, Staff found that the numbers were in compliance with the Delaware Code and the DSIC Rates approved in Order No. 9075. Specifically, Staff found that: (i) SUEZ did not exceed its authorized overall rate of return; (ii) SUEZ collected \$147,261 in DSIC revenues for Docket No. 17-0370 during the period July 1, 2017 through December 31, 2017, which was \$10,539 below the DSIC revenue requirement for that period; (iii) the plant portion of SUEZ's DSIC calculation was accurate; and (iv) SUEZ's calculation of total depreciation agreed with its general ledger; and

**WHEREAS**, Staff found that the annual reconciliation for Docket No. 17-0370 produced a total under-collection of \$10,539 for the period July 1, 2017 through December 31, 2017. This under-collection will be reconciled in SUEZ's current pending DSIC Rate application in PSC Docket No. 18-1209; and

**WHEREAS**, based on Staff's audit of the additional plant claimed by SUEZ in Docket No. 17-0370 and the revenues SUEZ collected under this DSIC Rate, Staff recommends that SUEZ's DSIC

Rate of 1.07% for July 1, 2017 through December 31, 2017, be approved as final; and

**WHEREAS**, Staff further reports that it has shared its findings with SUEZ and the Delaware Division of the Public Advocate, and all parties are in agreement;

**NOW THEREFORE, IT IS ORDERED BY THE AFFIRMATIVE  
VOTE OF NOT FEWER THAN THREE COMMISSIONERS:**

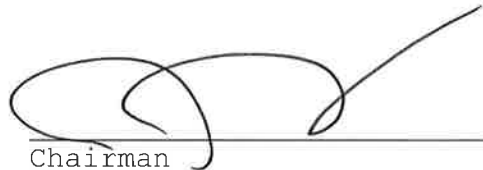
1. Under the provisions of 26 Del. C. § 314, the Commission hereby approves SUEZ's 2017 DSIC Rate of 1.07%, effective July 1, 2017 through December 31, 2017, as previously authorized under Order No. 9075 (June 20, 2017).

2. Nothing in this Order shall preclude the examination and challenge of SUEZ's claims in any base rate proceeding.

3. The annual audit of the filing made in Docket No. 17-0370 for the period July 1, 2017 through December 31, 2017 is concluded.

4. The Commission reserves the jurisdiction and authority to enter such further orders in these dockets as may be deemed necessary or proper.


**BY ORDER OF THE COMMISSION:**

  
Chairman

  
Commissioner

  
Commissioner

  
Commissioner

  
Commissioner

ATTEST:

  
Secretary

